

By: Bailes

H.B. No. 4246

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of hospitals from the diesel fuel tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 162.204(a), Tax Code, is amended to read as follows:

(a) The tax imposed by this subchapter does not apply to:

(1) diesel fuel sold to the United States for its exclusive use, provided that the exemption does not apply to diesel fuel sold or delivered to a person operating under a contract with the United States;

(2) diesel fuel sold to a public school district in this state for the district's exclusive use;

(3) diesel fuel sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel only to provide those services;

(4) diesel fuel exported by either a licensed supplier or a licensed exporter from this state to any other state, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

(5) diesel fuel moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which

1 the diesel fuel removed from the first terminal comes to rest in the
2 second terminal, provided that the removal from the second terminal
3 rack is subject to the tax imposed by this subchapter;

4 (6) diesel fuel delivered or sold into a storage
5 facility of a licensed aviation fuel dealer from which the diesel
6 fuel will be delivered solely into the fuel supply tanks of aircraft
7 or aircraft servicing equipment, or sold from one licensed aviation
8 fuel dealer to another licensed aviation fuel dealer who will
9 deliver the diesel fuel exclusively into the fuel supply tanks of
10 aircraft or aircraft servicing equipment;

11 (7) diesel fuel exported to a foreign country if the
12 bill of lading or shipping documents indicate the foreign
13 destination and the fuel is actually exported to the foreign
14 country;

15 (8) dyed diesel fuel sold or delivered by a supplier to
16 another supplier and dyed diesel fuel sold or delivered by a
17 supplier or distributor into the bulk storage facility of a dyed
18 diesel fuel bonded user or to a purchaser who provides a signed
19 statement as provided by Section [162.206](#);

20 (9) the volume of water, fuel ethanol, renewable
21 diesel, biodiesel, or mixtures thereof that are blended together
22 with taxable diesel fuel when the finished product sold or used is
23 clearly identified on the retail pump, storage tank, and sales
24 invoice as a combination of diesel fuel and water, fuel ethanol,
25 renewable diesel, biodiesel, or mixtures thereof;

26 (10) dyed diesel fuel sold by a supplier or permissive
27 supplier to a distributor, or by a distributor to another

1 distributor;

2 (11) dyed diesel fuel delivered by a license holder
3 into the fuel supply tanks of railway engines, motorboats, or
4 refrigeration units or other stationary equipment powered by a
5 separate motor from a separate fuel supply tank;

6 (12) dyed kerosene when delivered by a supplier,
7 distributor, or importer into a storage facility at a retail
8 business from which all deliveries are exclusively for heating,
9 cooking, lighting, or similar nonhighway use;

10 (13) diesel fuel used by a person, other than a
11 political subdivision, who owns, controls, operates, or manages a
12 commercial motor vehicle as defined by Section 548.001,
13 Transportation Code, if the fuel:

14 (A) is delivered exclusively into the fuel supply
15 tank of the commercial motor vehicle; and

16 (B) is used exclusively to transport passengers
17 for compensation or hire between points in this state on a fixed
18 route or schedule;

19 (14) diesel fuel sold to a volunteer fire department
20 in this state for the department's exclusive use; ~~[or]~~

21 (15) diesel fuel sold to a nonprofit entity that is
22 organized for the sole purpose of and engages exclusively in
23 providing emergency medical services and that uses the diesel fuel
24 exclusively to provide emergency medical services, including
25 rescue and ambulance services; or

26 (16) diesel fuel sold to a hospital in this state for
27 the hospital's exclusive use.

1 SECTION 2. Section 162.227, Tax Code, is amended by adding
2 Subsection (f-3) to read as follows:

3 (f-3) A hospital exempt from the tax imposed under this
4 subchapter that paid tax on the purchase of diesel fuel is entitled
5 to a refund of the tax paid, and the hospital may file a refund claim
6 with the comptroller for that amount.

7 SECTION 3. The change in law made by this Act does not
8 affect tax liability accruing before the effective date of this
9 Act. That liability continues in effect as if this Act had not been
10 enacted, and the former law is continued in effect for the
11 collection of taxes due and for civil and criminal enforcement of
12 the liability for those taxes.

13 SECTION 4. This Act takes effect September 1, 2021.